

## Wealth Markets and Commerce

## Finance - Economics

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Tuesday, July 31, 1917

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[New York State]

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Spencer Trask &amp; Co.

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Gold Currents.—The local Sub-Treasury transferred \$725,000 by telegraph to San Francisco yesterday for the account of Japanese bankers, who are shipping that amount of gold to Japan.

A London financial writer, in commenting on the gold movement from the United States to Japan, says:

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Money and Credit

Money rates were steady in the local market yesterday. At the Stock Exchange call loans ruled at 2½ per cent, with a low of 2 per cent. Offerings were more than sufficient to take care of stock market requirements.

In the market for time loans based on Stock Exchange collateral the amount of funds offered by the banks is still limited, which tends to impart a firm tone. Loans based on industrial securities as collateral were quoted at 5 per cent for all maturities. Those based on a mixture of railway and industrial securities were a shade lower at 4½ to 4¾ per cent. A good demand for loans extending over the end of the year is reported, but few leading institutions are willing to make commitments for so long a period in view of the numerous uncertainties.

Ruling rates for money yesterday, compared with a year ago, were as follows:

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4 months.....	4½%	3	3½%
5 to 6 months.....	4½%	3	3½%

Commercial Paper.—A firmer tendency was apparent in the commercial paper market yesterday and most of the sales were made on a flat 5 per cent basis.

Official rates of discount of each of the twelve Federal districts are as follows:

	Days	Over 15	Over 30	Over 60	Over 90
Boston.....	3/2	4	4	4	4
New York.....	3/2	4	4	4	4
Philadelphia.....	3/2	4	4	4	4
Cleveland.....	3/2	4	4	4	4
Richmond.....	3/2	4	4	4	4
Atlanta.....	3/2	4	4	4	4
Chicago.....	3/2	4	4	4	4
St. Louis.....	3/2	4	4	4	4
Minneapolis.....	4	4	4	4	4
Kansas City.....	4	4	4	4	4
Dallas.....	3/2	4	4	4	4
San Francisco.....	3/2	4	4	4	4

Bank Clearings.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York.....	\$612,956,883	\$40,837,877
Boston.....	53,757,753	11,626,153
Chicago.....	80,959,765	7,559,506
Philadelphia.....	56,476,415	8,553,522
St. Louis.....	19,891,072	4,124,771

Silver.—Bars in London, 39½d; New York, 75½ cents; Mexican dollars, 61 cents.

Sub-Treasury.—New York banks lost to the Sub-Treasury \$2,984,000.

London Money Market.—London, July 31.—Money was in better demand yesterday, but rates were steady. Money loaned at 4 per cent. Discount rates—Short bills, 4½ per cent; three months' bills, 4½ per cent. Gold premiums at Lisbon, 90.00.

The Dollar in Foreign Exchange

The strength of exchange rates on most of the neutral countries of Europe continues to furnish the principal feature of the local market. Exchange on the Scandinavian countries rose sharply yesterday, touching the highest levels in months. Swiss francs were also strong, while Spanish pesetas moved up another peg. The explanation of the strength of the neutral exchanges is found in the effect of the embargo the United States has placed on shipments to these countries. The falling off of exports from this country is tending to decrease the supply of exchange, compelling persons desirous of making remittances bid higher.

French, English and Italian exchange rates were steady yesterday. Russian rubles underwent improvement, moving up to 21½ cents.

Closing rates yesterday, compared with a week ago, are given in the table below. American bankers have suspended all dealings in German and Austrian exchange, so that daily quotations for either marks or kronen are no longer available.

	Yesterday.	ago.
(Quoted dollars to the pound.)		
Sterling, demand.....	\$4.75½	\$4.75½
Sterling, sixty days.....	4.71½	4.71½
Sterling, cables.....	4.76½	4.76½
Sterling, ninety days.....	4.69½	4.69½
(Quoted units to the dollar.)		
Francs, demand.....	5.76½	5.76½
Francs, cables.....	5.75½	5.75½
Lire, checks.....	7.23½	7.21½
Lire, cables.....	7.22½	7.20½
Swiss, checks.....	4.54	4.65
Swiss, cables.....	4.52	4.63
(Quoted cents to the unit.)		
Guilders, checks.....	41¼	41¼
Guilders, cables.....	41¼	41¼
Rubles, cables.....	21.55	21.25
Stockholm, kr., chks.....	32.60	31.15
Copenhagen, kr., chks.....	29.50	29.10
Pesetas, checks.....	22.80	22.85

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current	Intrinsic
Pounds, sterling.....	\$4.75½	\$4.75½
Guilders.....	0.17 3	0.19 3
Rubles.....	0.041½	0.040 2
Rubles.....	0.021 55	0.021 5
Lire, checks.....	0.13 8	0.13 9
Crowns (Denmark).....	0.29 60	0.26 8
Crowns (Sweden).....	0.32 60	0.26 8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, \$4.75½. Thus, you pay either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that

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